

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche
State of Louisiana
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-24-11

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Of the Parishes of Terrebonne and Lafourche
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ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2010

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FIRE PROTECTION DISTRICT NO. 6
Of the PARISHES OF TERREBONNE AND LAFOURCHE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2010

This discussion and analysis of Fire Protection District No. 6's (the District) financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net assets increased as a result of this year's operations. Net assets of our governmental activities increased by \$182,738, or approximately 10%. As a result of this year's operations assets exceeded liabilities by \$1,743,199 (net assets).
- During the year, expenses were \$651,098 more than the \$57,552 generated in program revenues for governmental programs. General revenues of \$833,836 added to the program revenues made up the shortfall to end the year with revenue exceeding expenditures by \$182,738. This compares to last year when expenses exceeded revenues by \$224,557
- Program expenses increased by \$93074 or 13%, while revenues decreased by over \$47,000 approximately 80%.
- Governmental funds reported an ending fund balance of \$598,741 – of which \$513,551 is considered reserved and designated for specific items.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

FIRE PROTECTION DISTRICT NO. 6
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Fire Protection District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Fire Protection District.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Fire Protection District utilizes a governmental type of fund with the following accounting approach. All of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net assets increased by \$182,738 about 10% as noted in the following table. In comparison, last year net assets increased by \$224,557 or about 17%. A large portion of the District's net assets reflects its investment in capital assets. Current assets increased

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by a little over 6%, while capital assets increased significantly for purchases and major renovation projects undertaken during the year. Long-term liabilities decreased for the amount paid on the Certificate of Indebtedness currently outstanding.

	2009	2010	Dollar Change	Percent Change
Current and Other Assets	\$1,477,361	\$1,573,299	\$ 95,938	6.1%
Capital Assets	1,693,703	1,887,008	193,305	10.2%
Total Assets	3,171,064	3,460,307	289,243	8.4%
Current Liabilities	860,603	984,721	124,118	12.6%
Long-term Liabilities	750,000	732,387	(17,613)	-2.4%
Total Liabilities	1,610,603	1,717,108	106,505	6.2%
Invested in Capital Assets	943,703	1,207,008	263,305	21.8%
Unrestricted	616,758	536,191	(80,567)	-15.0%
Total Net Assets	\$1,560,461	\$1,743,199	\$ 182,738	10.5%

Net assets of governmental activities increased by as noted in the following table. The amount spent on operating and maintaining the fire safety (program expenses) of the District increased by 13% during the year. Program revenues decreased from the prior year as general revenues increased.

	2009	2010	Dollar Change	Percent Change
Total program expenses	\$ (615,576)	\$ (708,650)	\$ 93,074	13.1%
Total program revenues	105,029	57,552	(47,477)	-82.5%
Net program income	(510,547)	(651,098)	(140,551)	21.6%
General revenues	735,104	833,836	98,732	11.8%
Change in Net Assets	224,557	182,738	41,819	22.9%
Net Assets:				
Beginning of the year	1,335,904	1,560,461	224,557	14.4%
End of the year	<u>\$1,560,461</u>	<u>\$1,743,199</u>	<u>\$182,738</u>	10.5%

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FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Fire Protection District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General fund reported an ending fund balance of \$598,741 of which most - \$513,551 was reserved and designated by the Board for:

- Prepaid Insurance (\$38,661),
- Capital outlay for Renovations & Purchases (\$299,578),
- Truck Replacements (\$75,000),
- Denbury Donation (\$9,573), and
- Protest Taxes (\$90,739).

This reflects a decrease of \$19,319 or 3% from the prior year. Revenues decreased by approximately 16%. Current expenditures for public safety remained relatively the same. Capital outlay expenditures were \$299,543, including the purchase of new vehicle and capitalizing improvements for building renovations at the Montegut Central and Lower Fire Stations.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. Authorized budget amendments were approved as follows:

Original Budgeted Revenues	\$733,000
Amendments were made for:	
Decreased Ad Valorem taxes received	-48,765
Increased Intergovernmental revenue	23,250
Decreased Interest and Miscellaneous	-2,415
Increased Other Financing Sources (Uses)	361,500
Total revenue amendments	333,570
Amended Budgeted Revenues	\$1,066,570

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Original Budgeted Expenditures	\$693,839
Amendments were made for:	
Increased current expenditures	188,082
Decreased Capital Outlay	-11,271
Increased Debt Service	12,485
Total expenditure amendments	189,296
Amended Budgeted Expenditures	\$883,135

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$1,441,889, for governmental activities at year-end were \$1,887,008. This year there was net additions of \$299,543 for construction in progress for renovations of the Central Montegut, Lower Montegut and Island Stations, including \$27,765 for a new vehicle for the fire chief. Depreciation of \$106,238 was recorded on capital assets. More detailed information about the capital assets is presented in Note 4 to the financial statements.

LONG-TERM DEBT

During the prior year the Board approved the issuance, sale and delivery of not exceeding \$750,000 of Limited Tax Certificates of Indebtedness, Series 2010 for the purpose of acquiring, constructing and maintaining fire protection facilities and paying the costs of issuance. The Certificates are secured by and payable from a special 16 mills tax, authorized at an election held within the District on October 20, 2007. The Certificates are issued with a final maturity not exceeding five years from date thereof and an interest rate not exceeding 6.0%.

There were principal payments of \$70,000 and \$26,635 of interest and fees incurred during the year. More detailed information about the long term debt is presented in Note 6 to the financial statements.

OTHER POST EMPLOYMENT BENEFITS

During the current fiscal year end, the District has implemented Governmental Accounting Standards Board (GASB) Statement 45 which addresses the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,"

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The net OPEB obligation for the year ending December 31, 2010 of \$52,388 was recorded in the government-wide financial statements as a non-current liability. More detailed information about the other post employment benefits is presented in Note 9 to the financial statements.

LAWSUIT SETTLED

At the November 18, 2010 special meeting the Board agreed to accept the legal recommendation to settle the case against American Alternative Insurance Corporation – Civil Action No. 09-6649. The District recognized \$318,359 in insurance proceeds from which \$106,920 was paid in attorney fees and costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances	
	<u>2011</u>
Anticipated revenues	\$ 763,100
Expenditures:	
Current	599,923
Debt service	97,713
Capital outlay	<u>30,000</u>
Anticipated expenditures	<u>727,636</u>
Excess of revenues	35,464
Fund Balance:	
Beginning of the year	<u>76,604</u>
End of the year	<u><u>\$112,068</u></u>

The Ad Valorem Tax Revenue accounts have been budgeted using the actual amount of the November 2010 assessment at 16.00 mills. Expenditures were anticipated to remain in line with the prior year. Insurance costs have been budgeted to provide for a possible 10% increase in premiums. The Board has approved to designate an additional \$25,000 to replace the fire truck (this brings that reserve to \$100,000), an additional \$25,000 for future

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purchases (this brings that reserve to \$275,000), and an additional \$50,000 for protest taxes.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Byron Ells, Chairman
1105 Hwy 55
Montegut, LA
Phone # 985-856-1599

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Fire Protection District No. 6

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 6 of the Parishes of Terrebonne and Lafourche, a component unit of the Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fire Protection District No. 6. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly the financial position of the governmental activities and each major fund of the Fire Protection District No. 6 as of December 31, 2010, and the respective changes in financial position for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 11, 2010, on our consideration of the Fire Protection District No. 6's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Stagni & Company

Thibodaux, Louisiana
April 26, 2011



**FIRE PROTECTION DISTRICT NO. 6
OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Statement of Net Assets
December 31, 2010

ASSETS

Cash	\$ 485,693
Investments	2,957
Receivable	
Ad valorem taxes	65,844
Miscellaneous	214,225
Due from other governmental units	756,249
Prepaid Insurance	38,661
Unamortized Debt Issuance Costs	9,670
Capital Assets, net of accumulated depreciation	<u>1,887,008</u>
TOTAL ASSETS	<u>\$ 3,460,307</u>

LIABILITIES

Accounts payable	\$ 17,789
Retainage payable	21,303
Due to TPCG	963
Interest payable	19,833
Deferred revenue	924,833
Long-term Liabilities:	
Due in one year	605,000
Due in more than one year	75,000
Other noncurrent liability - net other postemployment benefit liability	<u>52,387</u>
TOTAL LIABILITIES	<u>1,717,108</u>

NET ASSETS

Invested in capital assets, net of related debt	1,207,008
Unrestricted	<u>536,191</u>
Total net assets	<u>\$ 1,743,199</u>

See notes to financial statements.

FIRE PROTECTION DISTRICT NO. 6
OF THE PARISHES OF TERREBONNE AND LAFOURCHE

Statement of Activities - Governmental Activities
For the Year Ended December 31, 2010

FUNCTIONS/PROGRAMS	Program Revenue			Net (Expense) Revenue
	Expenses	Charges for services	Operating Grants	
Public safety	\$ 708,650	\$ -	\$ 57,552	\$ (651,098)
Total governmental activities	<u>\$ 708,650</u>	<u>\$ -</u>	<u>\$ 57,552</u>	<u>(651,098)</u>
GENERAL REVENUES (EXPENSES)				
Ad valorem taxes				634,755
State revenue sharing				11,855
Insurance Proceeds				361,928
Legal and Insurance from Lawsuit				(177,725)
Miscellaneous				2,692
Unrestricted investment earnings				331
TOTAL GENERAL REVENUES				<u>833,836</u>
CHANGE IN NET ASSETS				182,738
NET ASSETS:				
Beginning of year				1,560,461
End of year				<u>\$ 1,743,199</u>

See notes to the financial statements.

**FIRE PROTECTION DISTRICT NO. 6
OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Balance Sheet - Governmental Fund - General Fund

December 31, 2010

ASSETS

Cash	\$ 485,693
Investments	2,957
Receivables	
Taxes	65,844
Other miscellaneous	214,225
Due from other governmental units	756,249
Prepaid Insurance	38,661
TOTAL ASSETS	<u>\$ 1,563,629</u>

LIABILITIES

Accounts payable	\$ 17,789
Retainage payable	21,303
Due to TPCG	963
Deferred revenue	924,833
TOTAL LIABILITIES	<u>964,888</u>

FUND BALANCE:

Reserved for Prepaid Insurance	38,661
Unreserved - designated for:	
Capital outlay - renovations & purchases	299,578
Truck Replacements	75,000
Denbury Donation	9,573
Protest Taxes	90,739
Unreserved - undesignated	85,190
TOTAL FUND BALANCE	<u>598,741</u>

**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE
STATEMENT OF NET ASSETS:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Add Non-depreciable capital assets	275,978	
Add - Depreciable capital assets	3,052,919	
Deduct - Accumulated depreciation	<u>(1,441,889)</u>	1,887,008

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct -Certificates of Indebtedness	Due within 1 year	(605,000)	
Deduct -Certificates of Indebtedness	Due in more than 1 year	<u>(75,000)</u>	(680,000)
Add - Unamortized Debt Issuance Costs			9,670
Deduct - Accrued Interest Payable			(19,833)
Deduct - OPEB liability			<u>(52,387)</u>
Net assets of governmental activities			<u>\$ 1,743,199</u>

See notes to financial statements.

**FIRE PROTECTION DISTRICT NO. 6
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Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2010

REVENUES

Ad Valorem Taxes	\$ 634,755
Intergovernmental:	
Federal Government - FEMA	23,502
State of Louisiana:	
State Revenue Sharing	11,855
Fire Insurance Tax	16,050
Supplemental pay	18,000
Interest	331
Miscellaneous	2,692
TOTAL REVENUES	<u>707,185</u>

EXPENDITURES

Current - General Government:	
Ad valorem tax deductions	32,177
Ad valorem tax adjustments	778
	<u>32,955</u>
Current - Public Safety:	
Salaries and benefits	275,756
Uniforms	4,352
Office operations	5,509
Medical & drug supplies	2,134
Communication Equipment Repairs	3,603
Gasoline, Diesel & Oil	8,848
Operating supplies	24,710
Utilities	19,686
Telephone	6,331
Insurance	49,210
2% Fire Insurance Rebate	3,567
Volunteer response and training	4,850
E-911 Fire Dispatch Services	4,450
Professional service fees	24,384
Publish Proceedings/Class Ads	210
Travel & Training	2,481
Membership dues	327
Miscellaneous	114
Repairs and maintenance	41,052
	<u>481,574</u>
Capital outlay	299,543
Debt service:	
Principal payments	70,000
Interest and fees	26,635
	<u>96,635</u>
TOTAL EXPENDITURES	<u>910,707</u>
REVENUES OVER (UNDER) EXPENDITURES	(203,522)
OTHER FINANCING SOURCES (USES):	
Insurance Proceeds	361,928
Legal and Insurance from Lawsuit	(177,725)
	<u>184,203</u>
NET CHANGE IN FUND BALANCE	(19,319)
FUND BALANCE:	
Beginning of year	618,060
End of year	<u>\$ 598,741</u>

See notes to financial statements.

**FIRE PROTECTION DISTRICT NO. 6
OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2010

Net change in fund balances	\$ (19,319)
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Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives, and reported as depreciation expense.

Add - Capital outlay	299,543
Deduct - Depreciation expense	<u>(106,238)</u>
	193,305

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds.

Deduct - Amortization of debt issuance costs	(1,074)
Add - principal payments on long-term debt	70,000

Some expenses reported in the government-wide statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.

Deduct - Increase in Accrued Interest Payable	(7,787)
Deduct - Increase in OPEB Liability	(52,387)

Change in net assets - governmental activities	<u><u>\$ 182,738</u></u>
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See notes to financial statements.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

INTRODUCTION

Fire Protection District No. 6 of the Parishes of Terrebonne and Lafourche (the District) was formed under La. Revised Statute 40:1492 and 40:1496 and by Terrebonne Parish resolution adopted June 11, 1947 and revised by Terrebonne Parish ordinance 5175 adopted January 12, 1994. The District is governed by a Board of Commissioners comprised of seven members appointed by the Terrebonne and Lafourche Parish Councils.

The District was formed for the acquisition, purchase, construction, improvement, maintenance, and operations of fire protection facilities and equipment, and obtaining water for fire protection purposes in Ward 6 of the Parish of Terrebonne and in Ward 11 of the Parish of Lafourche.

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

The District is considered a component unit of the Terrebonne Parish Consolidated Government, and as such, these financial statements will be included in the comprehensive annual financial report (CAFR).

B. Basis of Presentation

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

Governmental Fund Type

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance.

In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

- General Fund - The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds.

C. Measurement Focus / Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

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Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

- **Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2009 property taxes which were levied to finance the 2010 budget are recognized as revenue in 2010. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.
- **Expenditures** – The major expenditures current public safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

- **Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget for the year ended December 31, 2010 as required. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

G. Receivables

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

H. Vacation and Sick Leave

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid in the Governmental Fund. Full time employees are entitled to eighteen days vacation after one year of service. Each year the employee must use vacation time accumulated before their anniversary date (the day they first began working), if not taken it is forfeited. The vacation period is increased one day for each year of service over ten years, up to a maximum of thirty days. There is no material accumulated vacation or sick leave at year end.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

I. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS AND IMPROVEMENTS	25-40 YEARS
MACHINERY AND EQUIPMENT	5-20 YEARS
OFFICE FURNITURE, FIXTURES & EQUIPMENT	5-10 YEARS

J. Fund Equity

For government-wide statement of net assets, net assets are displayed in three components:

- Invested in capital assets – including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted net assets – those with constraints placed on the use either by:
 - i. External groups such as creditors, grantors, contributions or laws or regulations of other governments; or
 - ii. Law through constitutional provisions or enabling legislation.
- Unrestricted net assets – all other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 DEPOSITS AND INVESTMENTS

Deposit balances at year end are as follows:

	Per Bank	As Reported
Cash	\$ 527,653	\$ 485,693

State law requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the District or with an unaffiliated bank or trust company for the account of the political subdivision.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. At year end \$277,653 of the bank balance was exposed to custodial credit risk. At December 31, 2010 these deposits in excess of FDIC were insured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 DEPOSITS AND INVESTMENTS (continued)

Investments:

Investment balances and maturities at year end are as follows:

Investment Type	As Reported	Fair Value	Maturity
Louisiana Asset Management Pool	\$2,957	\$2,957	LESS THAN 1 YEAR

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 3 AD VALOREM TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in both Parishes. Assessed values are established by the Terrebonne and Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2010 was \$16.00 per \$1,000 of assessed valuation on property within Fire Protection District No. 6 for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes, including fire hydrant rentals and service.

Note 4 CAPITAL ASSETS

Information about capital assets and depreciation for the year are summarized as follows:

	Balance	Additions	Deletions	Balance
NON-DEPRECIABLE ASSETS				
Land	\$ 4,378	\$ -		\$ 4,378
Construction in Progress	519,807	271,778	(519,984)	271,600
	<u>524,185</u>	<u>271,778</u>	<u>(519,984)</u>	<u>275,978</u>
DEPRECIABLE ASSETS:				
Buildings & Improvements	1,036,794	519,984	-	1,556,779
Machinery & Equipment	1,425,681	27,765	-	1,453,446
Office Furniture & Equipment	42,694	-	-	42,694
Total Cost of depreciable assets	<u>2,505,169</u>	<u>547,750</u>	<u>-</u>	<u>3,052,919</u>
Total Cost of Assets	<u>3,029,354</u>	<u>819,527</u>	<u>(519,984)</u>	<u>3,328,897</u>

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 4 **CAPITAL ASSETS (continued)**

**ACCUMULATED
DEPRECIATION**

Buildings & Improvements	380,411	36,912	-	417,323
Machinery & Equipment	922,472	67,158	-	989,629
Office Furniture & Equipment	32,768	2,168		34,936
Total accumulated depreciation	1,335,651	106,238		1,441,889
Net depreciable assets	<u>\$1,169,518</u>			<u>\$1,611,030</u>
Net capital assets	<u>\$1,693,703</u>			<u>\$1,887,008</u>

Depreciation Expense of \$106,238 was recorded in the governmental activities.

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

The detail from whom amounts are due at year end are as follows:

State of LA -- State Revenue Sharing	7,747
Lafourche Parish Tax Collector	18,420
Terrebonne Parish Tax Collector	730,082
Total	\$ 756,249

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 6 LONG-TERM DEBT

A summary of changes in the long-term debt for the year is as follows:

CATEGORY	BEGINNING BALANCE	ADDITIONS	PAYMENTS	ENDING BALANCE
COI, Series, 2010	\$750,000	\$ -	\$70,000	\$680,000

During the prior year the Board approved the issuance, sale and delivery of not exceeding \$750,000 of Limited Tax Certificates of Indebtedness, Series 2010 for the purpose of acquiring, constructing and maintaining fire protection facilities and paying the costs of issuance. The Certificates are secured by and payable from a special 16 mills tax, authorized at an election held within the District on October 20, 2007. The Certificates are issued with a final maturity not exceeding five years from date thereof and an interest rate not exceeding 6.0%.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
31/2011	\$ 75,000	\$23,800	\$ 98,800
31/2012	75,000	23,175	98,175
31/2013	80,000	18,550	98,550
31/2014	85,000	15,750	100,750
31/2015	85,000	12,775	97,775
31/2016	90,000	9,800	99,800
31/2017	95,000	6,650	101,650
31/2018	95,000	3,325	98,325
	\$ 680,000	\$111,825	\$791,825

Note 7 LAWSUIT SETTLED

At the November 18, 2010 special meeting the Board agreed to accept the legal recommendation to settle the case against American Alternative Insurance Corporation – Civil Action No. 09-6649. The District recognized \$318,359 in insurance proceeds from which \$106,920 was paid in attorney fees and costs.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

NOTE 8 DEFINED BENEFIT PLAN

PLAN DESCRIPTION – The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana R.S. 11:2251 – 11:2269, specifically, and other general laws of the State. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Dr., Suite 210, Baton Rouge, LA 70808-4136 or at their website <http://www.lafirefightersret.com>.

FUNDING POLICY – Plan members are required to contribute 8% of their earnable compensation and the District is required to contribute an actuarially determined rate. For the current year, the rate is 21.5%. The contribution requirements of plan members and the District are established and may be amended by state statute. As of June 30, 2010, FRS was 74.21% funded compared to 76.13 % as of June 30, 2009. This decrease results from unfavorable market conditions in FY 2008 and 2009. In addition, changes in several actuarial assumptions including mortality assumptions, rates of retirement and DROP entry, disability, and the assumed rate of post-DROP retirement had an impact on the unfunded accrued liability. Net assets held in trust to pay pension benefits at June 30, 2010 totaled \$972 million.

The District's contributions to the System for the years ending December 31, 2008, 2009, and 2010 were \$16,983, \$17,296 and \$28,015 respectively and are included in Salaries and Benefits on the fund financial statement.

NOTE 9 OTHER POST EMPLOYMENT BENEFITS

During the current fiscal year end, the District has implemented Governmental Accounting Standards Board (GASB) Statement 45 which addresses the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (continued)

Plan Description. The District provides for the payment of hospitalization and life insurance premiums through the Terrebonne Parish Consolidated Government for retired employees as approved by the Board. The District will fund the entire premium for all employees retiring with at least ten years service or retiring from the formal retirement systems. A retired employee may be provided dependent hospitalization coverage at a cost depending on their retirement date. The cost of providing this benefit is recognized as expenditure as premiums are paid. For the current year the District paid \$6,338 in retiree benefits for 1 retiree, included in the Salaries and Benefits on the fund financial statement.

Terrebonne Parish Consolidated Government contracts with an actuarial consultant to provide an actuarial valuation of the District's OPEB liability under GASB Statement 45. The Parish selected Lewis & Ellis, Inc. to perform an actuarial valuation of its postemployment healthcare plans with a valuation date of January 1, 2010. The most recent OPEB liability actuarial valuation was completed for the plan year that ended December 31, 2010.

Funding Policy. GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The District currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

Annual OPEB Cost. The annual required contribution (ARC), an actuarially determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed twenty-five (25) years.

The following table represents the OPEB costs for the year and the annual required contribution:

Normal cost	\$ 6,065
Minimum Amortization of Unfunded	12,402
Interest Adjustment to Year-end	831
Annual Required Contribution	<u>\$ 19,298</u>

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (continued)

Funding Status and Funding Progress. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending December 31, 2010 was as follows:

Annual Required Contribution	\$ 19,298
ARC adjustment	(1,349)
Interest Adjustment to net OPEB Obligation	1,488
Annual OPEB Cost	19,437
Contributions Made	(112)
Increase in Net OPEB Obligation	19,325
Net OPEB Obligation - beginning of year	33,063
Net OPEB Obligation - end of year	<u>\$ 52,388</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress provides multiyear trend information (only one year available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. The valuation of the plan is based on assumptions with regard to the survival of plan members, the average per-capita claim costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience, actuarial judgment and the Parish's pension annual financial report. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

Significant methods and assumptions were as follows:

- For mortality, we have used the sex-distinct RP-2000 Combined Healthy Mortality Table.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (continued)

Discount rate – 4.5%
Actuarial cost method - Entry age normal
Actuarial valuation date 1/1/2010
Remaining amortization period - 30 years
Projected salary increases - 3%

Note 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District participates in the Parish's risk management program for general liability, workers' compensation, group insurance, property and auto liability. No settlements were made during the year that exceeded the insurance coverage. The Parish handles all claims filed against the District.

Note 11 SUPPLEMENTAL PAY

In addition to the compensation paid to employees, firemen may be eligible to receive supplemental pay. The amount of the compensation is determined by State Law and is revised periodically. During the current year the District has recognized revenue and expenditures of \$18,000 in salary supplements.

FIRE PROTECTION DISTRICT NO. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 12 COMPENSATION OF BOARD MEMBERS

Board Member per diem payments are included in salaries and benefits on the financial statements. Compensation was paid to Board Members during the current year as follows:

Board Member	Per Diem
Kevin Belanger	\$ 300
Maryetta Ellender	390
A.J. Cavalier	390
Alcee Dupree, Jr.	420
Byron Ellis, III.	420
Gerald Pitre	360
Gale LeBoeuf	300
	\$ 2,580

***REQUIRED SUPPLEMENTAL
INFORMATION***

FIRE PROTECTION DISTRICT NO. 6
OF THE PARISHES OF TERREBONNE AND LAFOURCHE

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2010

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$683,500	\$634,735	\$634,755	\$ 20
Intergovernmental:				
Federal Government:				
FEMA grant	-	23,500	23,502	2
State of Louisiana:				
State Revenue Sharing	11,500	11,850	11,855	5
Fire Insurance Tax	15,000	14,400	16,050	1,650
Supplemental pay	18,000	18,000	18,000	-
Interest	5,000	225	331	106
Miscellaneous	-	2,360	2,692	332
TOTAL REVENUES	733,000	705,070	707,185	2,115
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	31,800	32,800	32,177	623
Ad valorem tax adjustments	3,200	1,200	778	422
Total general government - current	35,000	34,000	32,955	1,045
Public safety - current:				
Salaries and benefits	302,418	293,000	275,756	17,244
Office operations	5,000	7,000	5,509	1,491
Medical & drug supplies	2,000	2,000	2,134	(134)
Uniforms and Bunker Gear	5,000	4,000	4,352	(352)
Gasoline, Diesel & Oil	9,000	12,000	8,848	3,152
Communication Equipment Repairs	3,000	4,000	3,603	397
Operating supplies	26,000	31,000	24,710	6,290
Utilities	19,000	22,000	19,686	2,314
Telephone	9,000	8,000	6,331	1,669
Insurance	51,700	50,200	49,210	990
2% Fire Insurance Rebate	5,000	5,000	3,567	1,433
Volunteer response and training	4,000	4,500	4,850	(350)
E-911 Fire Dispatch Services	4,000	4,500	4,450	50
Professional service fees	23,200	206,200	24,384	181,816
Publish Proceedings/Class Ads	1,500	1,500	210	1,290
Bank charges	100	100	-	100
Travel & Training	5,000	5,000	2,481	2,519
Membership dues	1,000	1,000	327	673
Miscellaneous	5,000	4,000	114	3,886
Repairs and maintenance	50,000	55,000	41,052	13,948
Total public safety - current	530,918	720,000	481,574	221,182
Capital expenditures	43,771	32,500	299,543	(267,043)
Debt service:				
Principal payments	70,000	70,000	70,000	-
Interest and fees	14,150	26,635	26,635	-
	84,150	96,635	96,635	-
TOTAL EXPENDITURES	693,839	883,135	910,707	(44,816)
REVENUES OVER (UNDER) EXPENDITURES	39,161	(178,065)	(203,522)	(25,457)
OTHER FINANCING SOURCES (USES):				
Insurance Proceeds	-	361,500	361,928	(428)
Legal and Insurance from Lawsuit	-	-	(177,725)	177,725
	-	361,500	184,203	177,297
NET CHANGE IN FUND BALANCE	39,161	183,435	(19,319)	151,840
FUND BALANCES				
Beginning of year	618,059	618,059	618,060	1
End of year	\$657,220	\$1,346,429	\$598,741	\$151,841

***REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners of
Fire Protection District No. 6,
Of the Parishes of Terrebonne and Lafourche

We have audited the financial statements of Fire Protection District No. 6, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2010, and have issued our report thereon dated April 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fire Protection District No. 6's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a remote possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire Protection District No. 6's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Commissioners, management the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document

Stagni & Company

Thibodaux, LA
April 26, 2011



Fire Protection District No. 6
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2010

We have audited the basic financial statements of the governmental activities and each major fund of the Fire Protection District No. 6, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2010, and have issued our report thereon dated April 26, 2011. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The audit opinion issued on the financial statements was unqualified.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses No

Significant Deficiencies No

Compliance

Compliance Material to Financial Statements No

b. Federal Awards *Not Applicable*

Internal Control

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐

For Major Programs Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
-----------------	--------------------------------------

Dollar threshold used to distinguish between Type A and Type B Programs:

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

Section II Financial Statement Findings

NONE

Section III Federal Award Findings and Questioned Costs

N/A

